



PHILIP ANGELIDES  
Treasurer  
State of California

August 8, 2005

Mr. Rob Feckner  
Board President  
California Public Employees' Retirement System  
400 P Street  
Sacramento, CA 94814

Mr. Charles Valdes  
Chairman, Investment Committee  
California Public Employees' Retirement System  
400 P Street  
Sacramento, CA 94814

Dear Mr. Feckner and Mr. Valdes:

As you know, the people of Sudan are suffering through one of the worst human crises of our lifetime. The country has been torn apart by civil war, famine, and genocide in the Darfur region. In light of these events, it is important that the California Public Employees' Retirement System (CalPERS) take appropriate steps to ensure that our investments in companies doing business in Sudan are not contributing to the genocide and human suffering.

In May, we requested that CalPERS prod companies in which CalPERS invests to provide information on their Sudanese business operations and join with other major pension funds to obtain credible information on businesses operating in Sudan.

The State Legislature is also currently considering Assembly Concurrent Resolution 11, which would encourage CalPERS and the California State Teachers' Retirement System (CalSTRS) to press companies in which the funds invest to "act responsibly and not take actions that promote or otherwise enable human rights violations in the Sudan." Both CalPERS and CalSTRS have supported this resolution.

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To protect the safety of CalPERS investments, and to ensure that the State's pension funds are not unwittingly supporting the unconscionable and horrific genocide in Darfur, we request that CalPERS take the following actions:

- 1) CalPERS staff should provide to the Board a report identifying any companies in which CalPERS has holdings that have business operations in Sudan, including the exact nature of those business activities. The report should be made accessible to the public and should be presented to the Investment Committee no later than the September 19, 2005 meeting.
- 2) CalPERS should take all necessary steps to ensure that companies in which CalPERS has holdings are not engaged in any business activities that in any way support genocide in Darfur, Sudan; including directly engaging with each company with the goal that they cease all such activities.
- 3) CalPERS should consider divesting from any company which does not cease such activities.

We look forward to working with you on this important matter and discussing this issue at the September 19, 2005 Investment Committee meeting. Please feel free to contact us or Chief Deputy Treasurer Ted Eliopoulos at (916) 657-3218 if you would like to discuss this matter further.

Sincerely,



Phil Angelides  
State Treasurer



Willie Brown, Jr.  
CalPERS Board Member

cc: Honorable Board Members